



AMSPROP TRADING LIMITED

Report and Financial Statements

30 April 1997

**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**





REPORT AND FINANCIAL STATEMENTS 1997

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REPORT AND FINANCIAL STATEMENTS 1997

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A M Sugar
Mrs A Sugar
C T Sandy

SECRETARY

C T Sandy

REGISTERED OFFICE

Brentwood House
169 Kings Road
Brentwood
Essex
CM14 4EF

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 1997.

ACTIVITIES AND REVIEW OF DEVELOPMENTS

The company, is principally engaged in the business of property dealers, developers and managers. There are no planned changes to these activities.

The profit on ordinary activities before taxation for the year amounted to £2,318,726 (1996 - £1,778,639) as shown on page 5.

DIVIDENDS

The directors do not recommend the payment of a dividend.

CLOSE COMPANY STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

DIRECTORS

The directors who held office during the year are listed below:

A M Sugar
Mrs A Sugar
C T Sandy

DIRECTORS' INTERESTS

None of the directors who held office at 30 April 1997 had any interests in the shares of the company during the year. All the directors of the company are also directors of the parent company, Amsprop Limited, and their interest in that company's shares are shown in the financial statements of Amsprop Limited. Details of transactions involving Amsprop Limited and its subsidiaries during the year in which the directors had an interest are disclosed in the financial statements of Amsprop Limited.

AUDITORS

An elective resolution has been passed dispensing with the obligation to appoint auditors annually. Accordingly, Deloitte & Touche will remain in office until such time as the elective resolution is revoked.

Approved by the Board of Directors
and signed on behalf of the Board


C T SANDY
Secretary

23 February 1998

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Chartered Accountants

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AUDITORS' REPORT TO THE MEMBERS OF

AMSPROP TRADING LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche

Chartered Accountants and
Registered Auditors

23 February 1998

PROFIT AND LOSS ACCOUNT
Year ended 30 April 1997

	Note	1997 £	1996 £
TURNOVER	2	5,685,760	5,595,336
Cost of sales		(2,311,938)	(2,771,598)
Gross profit		3,373,822	2,823,738
Administrative expenses		(1,207,714)	(1,122,179)
OPERATING PROFIT		2,166,108	1,701,559
Interest receivable and similar income		186,539	195,816
Interest payable and similar charges	3	(33,921)	(118,736)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	2,318,726	1,778,639
Tax on profit on ordinary activities	6	(765,154)	(584,672)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,553,572	1,193,967
Profit and loss account brought forward		4,096,416	2,902,449
Profit and loss account carried forward		5,649,988	4,096,416

There are no recognised gains or losses other than the profit on ordinary activities after taxation shown above.

The results derive from the company's continuing activities.

BALANCE SHEET
30 April 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Investments	7	3	3
Tangible fixed assets	8	161,154	120,296
		<u>161,157</u>	<u>120,299</u>
CURRENT ASSETS			
Dealing stocks		31,530,078	33,688,470
Debtors	9	3,221,367	3,281,884
Cash at bank and in hand		402,918	351,694
		<u>35,154,363</u>	<u>37,322,048</u>
CREDITORS: amounts falling due within one year			
Banks loans and overdrafts		21,002	-
Obligations under finance leases		22,246	-
Trade creditors		104,552	79,355
Amounts owed to group undertakings - parent and fellow subsidiary undertakings		1,209,092	1,220,774
Other creditors including taxation and social security	10	27,444,088	31,261,156
Accruals and deferred income		601,980	509,546
		<u>(29,402,960)</u>	<u>(33,070,831)</u>
NET CURRENT ASSETS		<u>5,751,403</u>	<u>4,251,217</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,912,560</u>	<u>4,371,516</u>
CREDITORS: amounts falling due after more than one year			
Bank loans	11	223,437	275,000
Obligations under finance leases	12	39,035	-
		<u>(262,472)</u>	<u>(275,000)</u>
TOTAL NET ASSETS		<u>5,650,088</u>	<u>4,096,516</u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account	14	5,649,988	4,096,416
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>5,650,088</u>	<u>4,096,516</u>

These financial statements were approved by the Board of Directors on 23 February 1998.

Signed on behalf of the Board of Directors

Director

C. SANDY

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investment

Investments are stated at cost less any provision for a permanent diminution in value.

Depreciation

Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives. The annual depreciation rates and methods are as follows:

Office equipment	25% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis

Dealing stocks

Properties held as dealing stocks are included in the balance sheet at the lower of cost and net realisable value. Cost includes appropriate property purchase expenses.

Leases

Assets obtained under finance leases are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases.

2. TURNOVER

Turnover comprises rental income receivable by the company and the value of property sales, dilapidation receipts, insurance recoveries and service and management charges. Rents receivable were £2,728,195 (1996 - £3,082,565).

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1997 £	1996 £
Bank loans, overdrafts and other loans repayable within five years	202	86,208
Other loans	31,449	32,528
Finance leases	2,270	-
	<u>33,921</u>	<u>118,736</u>

4. STAFF COSTS

Directors' emoluments amounted to £180,429 (1996 - £178,563). No director exercised options or were members of a pension scheme to which the company contributed.

The average number of other employees in the period was 8 (1996 - 8). Their total remuneration was:

	1997 £	1996 £
Wages and salaries	251,797	220,521
Social security costs	32,427	20,895
	<u>284,224</u>	<u>241,416</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	1997 £	1996 £
Administrative expenses including:		
Depreciation		
- own assets	29,571	34,243
- leased assets	5,300	-
Auditors' remuneration		
- audit fees	4,000	4,735
- non-audit fees	3,162	2,856
Rentals under other operating leases	15,252	15,252
	<u>51,285</u>	<u>57,086</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
United Kingdom corporation tax at 33% based on the profit for the year	698,110	516,261
Income tax on investment income	(590)	-
Group relief	67,634	69,824
Adjustment in respect of prior year	-	(1,413)
	<u>765,154</u>	<u>584,672</u>

7. INVESTMENTS

	Participating interests £
Cost	
At 1 May 1996 and 30 April 1997	<u>3</u>

The company owns 50% of the issued ordinary share capital of Amstec Properties Limited, Amsgal Properties Limited and Amsmin Properties Limited which are all registered and operate in England. Their principal activities are acting as nominees for the joint property interests of its share holders. These joint arrangements are accounted for according to the terms of the agreement governing the arrangements.

8. TANGIBLE FIXED ASSETS

	Office equipment £	Motor vehicles £	Total £
Cost			
At 1 May 1996	83,772	192,343	276,115
Additions	17,741	71,574	89,315
Disposals	-	(53,110)	(53,110)
At 30 April 1997	<u>101,513</u>	<u>210,807</u>	<u>312,320</u>
Depreciation			
At 1 May 1996	35,174	120,645	155,819
Charge for the year	13,746	21,125	34,871
Disposals	-	(39,524)	(39,524)
At 30 April 1997	<u>48,920</u>	<u>102,246</u>	<u>151,166</u>
Net book value			
At 30 April 1997	<u>52,593</u>	<u>108,561</u>	<u>161,154</u>
At 30 April 1996	<u>48,598</u>	<u>71,698</u>	<u>120,296</u>

The net book value of the company's motor vehicles includes £81,459 (1996 - nil) in respect of assets held under finance leases.

9. DEBTORS

	1997 £	1996 £
Trade debtors	16,254	14,492
Amounts owed by group undertakings - parent and fellow subsidiary undertakings	-	1,401
Amounts owed by undertakings in which the company has a participating interest	2,783,499	3,057,595
Other debtors	415,406	177,141
Prepayments and accrued income	6,208	31,255
	<u>3,221,367</u>	<u>3,281,884</u>

10. OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	1997 £	1996 £
Other taxation and social security	710,250	528,608
Director's loan (secured)	26,670,630	30,571,094
Other creditors	63,208	161,454
	<u>27,444,088</u>	<u>31,261,156</u>

The director's loan is interest free, and repayable on demand. It is secured by a fixed and floating charge over the assets of the company.

11. BANK LOANS

Bank loans represent the company's share of a LIBOR term loan, which is repayable after five years, of one of its joint property interests. The loan is secured by a legal charge over the relevant dealing stocks.

12. OBLIGATIONS UNDER FINANCE LEASES

	1997 £	1996 £
Analysis of finance lease repayments falling due after more than one year:		
Between one and two years	22,127	-
Between two and five years	16,908	-
	<u>39,035</u>	<u>-</u>

13. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Authorised, allotted and fully paid: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Balance at 1 May 1996	4,096,416	2,902,449
Profit retained for the year	1,553,572	1,193,967
At 30 April 1997	<u>5,649,988</u>	<u>4,096,416</u>

15. OPERATING LEASE COMMITMENTS

At 30 April 1997 the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings £
Leases which expire within less than one year	<u>2,000</u>

16. ULTIMATE PARENT UNDERTAKING

At 30 April 1997 the ultimate parent company was Amshold Limited, a company incorporated in Jersey. This company is in turn controlled by A M Sugar.

The company has taken advantage of the exemption from related party disclosure in accordance with Paragraph 3(c) of Financial Reporting Standard No. 8.